

VTL/CS/21-22

17 SEP 2021

BSE Ltd.
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J.Towers, Dalal Street,
Fort,
MUMBAI-400 001

The Manager,
Listing Department,
The National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E),
MUMBAI-400 051

Company's Scrip Code: 517015

Company's Scrip Code: VINDHYATEL

Dear Sir,

**Sub: Disclosure under Regulation 30 of SEBI (Listing
Obligations and Disclosure Requirements)
Regulations, 2015**

Please find attached copy of reply given by the Company in response to e-mail received from The Institutional Investor Advisory Services (IiAS).

The above may please be treated as compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule III of said Regulations.

This is for your information and records.

Thanking you,

Yours faithfully,

For Vindhya Telelinks Limited



**(Dinesh Kapoor)
Company Secretary**



Encl: As above

September 17, 2021

Kind Attn: Mr. Anchit Sharma / Mr. Anup Pawar
Institutional Investor Advisory Services
Ground Floor, DGP House,
88-C, Old Prabhadevi Road,
Mumbai – 400 025

**Sub: Reply to your e-mail dated 16.09.2021 received at
13:19 - IiAS Voting Recommendations on the
shareholder resolutions of Vindhya Telelinks Ltd.**

Dear Sirs,

We are in receipt of your email dated 16th September 2021 at 13:19 attaching therewith a document titled 'voting advisory' ('**Advisory**'). By the said email, we were called upon to reply/provide our comments on the Advisory within 24 hours. Since the timelines set by you were extremely unreasonable, we requested you to allow us 48 hours to reply/provide our comments on the Advisory. Surprisingly, we received an email requesting us to send our response within 24 hours as you were purportedly required by the SEBI Regulation to note our response within 24 hours. We have to state that your refusal/purported inability to provide additional time was based your incorrect interpretation of the SEBI Regulation. Nonetheless to avoid any further controversy and with an intention to clarify our position to our shareholders, we are providing our reply/comments to the Advisory within the unreasonable timeline set by you.

At the outset, we are extremely surprised to note the contents of the Advisory wherein you have flagged resolution no. 3 as matter of 'Governance'. We are surprised that you have prepared this report without consulting the Company and/or seeking any clarifications from the Company on purported concerns raised by you in the Advisory. Further, the Advisory unilaterally circulated by you to your subscribers is riddled with glaring inaccuracies, which would not have crept in if the Advisory was shared with the Company prior to circulating the same to your subscribers.

As a matter of fact, IiAS Policy and Process provides that after the research analyst prepares the voting advisory report with the necessary analysis, the same is discussed at ROC, which decides the voting recommendations. Thereafter, the analyst incorporates the discussions of the ROC in the report which is then reviewed by the ROC. *Subsequently, the report is sent to the company for information and feedback on factual accuracy.* As per your policy this is a standard process followed by IiAS. However, it seems that this was conveniently and for the reasons best known to you not followed while preparing the Advisory in case of our company. We have to state that if your standard process was followed, the Company would have been able to point out the glaring inaccuracies in the report prior to the same being shared with your subscribers. We are therefore not aware of true intentions behind preparing and circulating such Advisory.

In the said Advisory, you have observed that the Company's performance has deteriorated over the past three years. We have to state that such observation is completely false and baseless and based on incorrect reading of the Annual Report or lack of understanding of the business carried out by the Company. As a matter of fact, the performance of the Company on standalone basis over the years has steadily improved, as may be seen from the data given below:

Rs in Crores

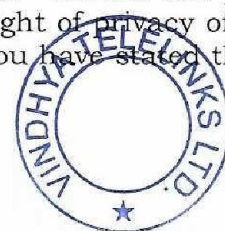
Year	2017	2018	2019	2020	2021
Revenue	1026.54	1351.38	2095.38	1883.20	1502.05
PAT	65.63	83.33	168.66	126.89	103.56

Source: Company's Annual Reports

The slowdown in demand of Optical Fibre Cable business, which started from third quarter of FY2020 and continued thereafter due to outbreak of Covid – 19 pandemic, had impaired business activities globally. Further, on account of the pandemic there was a dip in EPC revenue, which severally impacted the Services Sector in the first two quarters of FY2021 due to migration of labours and break-down of the supply chain. In spite of the same, the profit margins remained in the range of 6 - 8 % over the years, which is by and large in line with the industry trend. The performance of the Company has shown improvement in the current FY2022 as is evident by turnover of Rs.343.06 Crores achieved in Q1 of FY22 as against a turnover of Rs.280.44 Crores in the corresponding quarter of previous Financial Year, reflecting a growth of 22.33% despite headwinds in the telecom sector. Hence, it is unfair and totally incorrect to observe that the performance of the Company has deteriorated. It seems that you have conveniently ignored the aforesaid material fact/data while preparing the Advisory for the reasons best known to you. We would like to believe that a Proxy Advisory service such as yourself would be more careful in making statements/observations in its advisory.

We have to state that the Company had started its operations in the year 1986 and the Company's turnover and profits have increased manifold, and so have the dividend pay outs to its shareholders. Over a period of years, the business operations and administration have been carried out effectively and efficiently and the shareholders of the Company have always been satisfied about the working and the profitability of the Company. We strongly believe the Advisory is nothing but an attempt to blemish the Company's record.

Now coming to the resolution for reappointment of Justice Dilip Ganesh Karnik (Retd.), while you have recommended in favour of the resolution, what we do not seem to understand is the reasons to classify the same as 'Governance matters'. One of the observations made in the Advisory is that Justice Dilip Ganesh Karnik (Retd.) attended only 2 out of 5 board meetings in the FY21. If you had followed your own policy and communicated with the Company prior to circulating the Advisory, we would have been able to inform you that Justice Dilip Ganesh Karnik (Retd.) was not able to attend meetings in the FY21 due to personal exigencies. We are not providing any further details with respect to the same to protect the right of privacy of Justice Dilip Ganesh Karnik (Retd.) and his family. In the Advisory, you have stated that 'we expect



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the directors to take their responsibility seriously and attend all board meetings'. We have to state that considering personal difficulty of Justice Dilip Ganesh Karnik (Retd.), the Board had granted him leave of absence from attending the Board meetings. By making such observations, you have attempted to undermine the authority of the Board. It also seems that while making such observations, you have also failed to understand and completely disregarded the fact that prior to FY 21, Justice Dilip Ganesh Karnik (Retd.) had attended all the board meetings. We believe it was insensitive for you to make such statements about a retired Judge without being aware of the complete facts, which is certainly not expected from Proxy Advisors.

As far as the resolutions of appointment of Dr. Dhanpat Ram Agarwal and Justice Shyamal Kanti Chakrabarti (Retd.) is concerned, you have on the one hand acknowledged the concerns raised by the Board and have observed that there '*may indeed be a risk*' in the appointment of the nominees of Punjab Produce & Trading Co. Pvt. Ltd. however, on the other hand observed that these appointments '*may provide greater scrutiny to board decisions and bring different insights to board deliberations, which is needed in the light of the company's deteriorating performance over the past three years*'. We have to state that both these observations are completely contrary to one another and factual position as things stand today. Further, even Punjab Produce & Trading Co. Pvt. Ltd. in its notice has not given any reason for nominating directors on the Board of the Company. This clearly demonstrates that there is no basis and/or justification for supporting the appointment of nominees of Punjab Produce & Trading Co. Pvt. Ltd.

We have to clarify that both the notices received under Section 160 were placed before the NRC and the NRC in its own wisdom had considered the same and had recommended against the appointment. In the Advisory, you have failed and conveniently neglected to consider other important aspects which were duly considered by the NRC while recommending **against** the appointment of the nominees of Punjab Produce & Trading Co. Pvt. Ltd. For instance, you have observed that the nominees would bring different insights to Board deliberations, which issue has been dealt with extensively by the NRC in its meeting. We are amazed as how the other points considered by the NRC while recommending **against** the appointment do not find any mention in your Advisory.

Further, you have raised concern over the objectivity of the Board only on the purported ground that there are only two independent director that have a tenure of less than 10 years. We have to state that there are presently 4 (four) independent director on the Board of the Company. This clearly shows that there seems to be an active attempt to undermine the efforts of the Company and its Board even at the cost of recording/stating incorrect facts to misguide your subscribers. We have to state that we have followed all provisions of Companies Act, 2013 and SEBI Regulations while appointing independent directors. Your decision to classify Mr. R. C. Tapuriah and Mr. S. K. Mishra as a Non-executive Director only on basis of long tenure causes serious prejudice to the two independent directors and causes them reputational loss.



Handwritten initials or a signature in blue ink, appearing to be 'SH'.

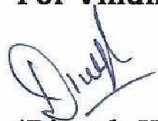
We would also like to state the fact that Aditya Birla Group entity namely Aditya Birla Sun Life AMC Ltd. is one of your prominent shareholders has not been disclosed while issuing the Advisory Report.

We hope you consider the matter in its true and correct perspective and make appropriate changes in the Advisory prepared by you and forthwith circulate the same to your subscribers.

Thanking you,

Yours faithfully,

For Vindhya Telelinks Limited



(Dinesh Kapoor)
Company Secretary

